



## ***Analysis of Fixed Asset Accounting Treatment Based on PSAK No.16 at PT Buana Finance Tbk Bengkulu Branch***

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### **Abstract**

Assets in general are resources controlled by a company as a result of past events, from which future economic benefits are expected to be obtained by the company. Fixed assets are part of the assets owned by the company to be used in the company's operations where the value will change every period due to depreciation. This study aims to determine whether the accounting treatment of fixed assets in a company starting from recognition, expenditure after acquisition, depreciation, termination, and presentation of fixed assets at PT Buana Finance Tbk, has been in accordance with PSAK No.16. The analysis method used is descriptive method with data collection techniques in the form of interviews to obtain data in the form of accounting treatment of fixed assets. The results showed that the accounting treatment of fixed assets applied by the company PT Buana Finance Tbk is in accordance with the Statement of Financial Accounting Standards (PSAK) No.16 Fixed Assets.

### **Introduction**

Fixed assets are corporate assets owned by every company. Fixed assets owned by the company are used to run its operations so that by using fixed assets the company's performance will be maximized and will get optimal profits. Fixed assets owned by the company consist of tangible fixed assets and intangible fixed assets.

Some types of assets can be useful directly or indirectly, are productive in nature and are included in business activities and have the ability to reduce cash expenditures and have productive potential to be able to generate cash or cash equivalents. Another benefit of assets for the company is as a producer of goods and services and pay off liabilities (debt). Several ways of acquiring assets, namely, they can be self-made, purchased in cash or installments, exchanged for other types of assets and can be obtained from donations or donations. The object of this thesis research is to understand and explain how the accounting treatment of

fixed assets at PT Buana Finance Tbk Bengkulu branch is in accordance or not with the provisions of PSAK No.16.

The Bengkulu branch of PT Buana Finance Tbk was established on March 14, 2017 and is located at Jln. S. Parman No. 19A & B Kel. Tanah Patah, Dusun Besar, Singgaran Pati Bengkulu City (38224). To be at the forefront of the market, PT Buana Finance Tbk always follows the latest innovations from the industry, including in the aspect of information technology. The current infrastructure has been supported by computing and information systems that are online to all branches in Indonesia for 24 hours. Supported by professional human resources, the speed of PT. Buana Finance Tbk's services can be relied upon to support the fulfillment of customer needs.

## Literature review

### Definition of Fixed Asset Accounting

Accounting is the basic management of economic affairs. It affects the systematic development and analysis of information about the economic affairs of an organization. How a business records, organizes, and understands its financial information constitutes accounting. According to (Mulyadi, 2016: 497) in his book, accounting comes from the word "toAccountant" which means "to take into account". In other words, accounting is a series of work that starts from transactions to making financial reports that are useful for users of these financial statements. According to (Bahri, 2019: 2) Accounting is the art of recording, classifying, summarizing, and reporting on a transaction in such a way, systematic in terms of content, and based on generally recognized standards.

According to Mulyadi, (2016: 497) Fixed assets are company assets that have a form, have economic benefits of more than one year, and are obtained by the company to carry out company activities, not for resale. These assets have a form so that fixed assets are often called tangible fixed assets.

Fixed assets are an important part of a company and even a significant part of its total assets. Whether it is a company that is scaled use of fixed assets. Fixed assets can be categorized into several groups including:

1. In terms of substance, fixed assets can be divided into:
  - Tangible assets, fixed assets that have a physical form, for example: land, buildings, machinery, vehicles, equipment, and inventory.
  - Intangible assets, assets that do not have a physical form, for example: goodwill, patents, copyrights, trademarks, lease rights, and frenchise.
2. Depreciation angle, fixed assets can be divided into:
  - Depreciated plant assets, depreciable fixed assets such as buildings, equipment, machinery, inventory and other similar items.
  - Undepreciated plant assets, non-depreciable assets such as land

Fixed assets are valued at cost. If valuation of fixed assets at cost is not possible, the value of fixed assets is based on the fair value at the time of acquisition. It can be concluded that the acquisition cost of fixed assets is all the costs t h a t a r e sacrificed to obtain an asset until it is ready for use.

Depreciation of a fixed asset begins when the fixed asset is ready for use, that is, when the fixed asset is in the location and condition necessary for the asset to be ready for use in accordance with management's intentions. The factors that affect the decline in the ability of a fixed asset are caused by technical obsolescence, commercial obsolescence, and wear and tear during the asset's disuse. The reason why fixed assets need to be depreciated is related to the emphasis on reasonable company profits by comparing all expenses incurred to create

revenue during a certain period, as well as the characteristics of assets that are getting lower and lower.

Disposal of property and equipment can be done in various ways such as selling, leasing under a finance lease, or donating (PSAK 16, 2018: 16.11). gains or losses arising from derecognition of property and equipment are determined at the difference between the net disposal proceeds, if any, and the carrying amount (PSAK 16, 2021: 16.11)..

## Methods

The analysis method used in this research is a qualitative descriptive analysis method, which aims to describe or describe the data that has been collected as it is obtained directly from the results of interviews and data collected from the company.

### a. Collecting data

Is the first stage that will be carried out by the author, at this stage the author will conduct a direct review at the company to obtain primary data in the form of data. Fixed assets, depreciation calculations, history, vision and mission, organizational structure and accounting treatment of fixed assets. By conducting interviews and documentation.

### b. Processing and analyzing data

- Analyzing the recognition of fixed assets in the company, fixed assets meet the classification of recognition as assets such as used for production, leasing, or for administrative purposes and can be used for more than one year, measured at cost.
- Analyzing the costs after the acquisition of fixed assets in the company, expenses incurred to maintain a fixed asset on a day-to-day basis are not recognized as part of the fixed asset, but the costs are recognized in profit or loss when incurred.
- Analyzing the depreciation of fixed assets in the company, fixed assets begin to be depreciated when the asset is in a state that is ready for use using various depreciation methods such as the straight-line depreciation method, the declining balance method and the number of units method.

### c. Drawing conclusions

The data obtained from the company is then analyzed and then drawn conclusions to answer the problem formulation. Researchers conducted a comparison of accounting treatment of fixed assets at PT Buana Finance Tbk with PSAK No.16. Then then conclude whether the company PT Buana Finance Tbk is in accordance with (PSAK) No. 16.

### d. Reporting results

Reporting the results of the research is the last stage after answering the existing problem formulation.

## Results

### a) Definition of Fixed Assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services for sale to others, or for administrative purposes and are expected to be used for more than one period.

### b) Characteristics of Fixed Assets

1. used in operations! and not for resale.
2. long-term in nature and usually depreciated.
3. Procces physical substance.

### c) Acquisition of Fixed Assets

Fixed assets are calculated at cost, where the acquisition cost is all the costs sacrificed to obtain an asset until the asset is in a location and condition that is ready for use. At PT Buana Finance Tbk, fixed assets are obtained in cash and in stages (installments) every month, where the branch office will make (Internal Memo) or submissions to the head office so that

later it can be processed in purchasing assets or also the branch office can buy a fixed asset directly. The Company recognizes fixed assets at cost and fixed assets are measured at cost. For example, the purchase of land amounted to Rp 7,605,000,000 in the financial statements. The list of fixed assets of PT Buana Finance Tbk is as follows: This study uses.

**Table 1 List of fixed assets of PT Buana Finance Tbk**

Fixed Assets	Useful Life
Land	-
Building	20-38 years
Vehicle	5 years
Equipment	-
Equipment	4-8 years

Source: PT.Buana Finance Tbk in Fixed Assets Report (2023)

d) Expenditure After Acquisition

The company's fixed assets are calculated at cost, where the acquisition cost is all the costs sacrificed to obtain an asset until the asset is in a location and state ready for use. In the company PT Buana Finance Tbk, there are costs incurred after the asset is used in daily operations. For example, repairing office air conditioners, these costs are the company's maintenance and maintenance costs where these costs have been directly recognized as the company's repair and maintenance costs.

e) Depreciation of Fixed Assets

Depreciation begins when an asset has been acquired and is ready for use. An asset must be depreciated within the company period with one of the depreciation methods such as the number of units method, declining balance method, and straight line method, except for land because no depreciation is carried out. At PT Buana Finance Tbk, each type of fixed asset is depreciated using the straight line method. The company also records fixed assets at cost less accumulated depreciation. One of the transactions purchased a photocopier on January 1, 2021 for IDR: 200,000,000 and an estimated service life of 5 years and a residual value of IDR: 150,000,000.

Formula: Depreciation = HP - NSN

$$\begin{aligned} \text{Depreciation expense} &= \frac{(\text{Rp}200.000.000 - \text{Rp}150.000.000)}{5 \text{ years}} \\ &= \text{Rp}10.000.000 \end{aligned}$$

If asked for an annual depreciation journal based on the example of purchasing a photocopie above, the journal that is made is:

Dr. Depreciation expense 10,000.00

Cr. Accumulated depreciation 10,000,000

f) Retirement of Fixed Assets

When a fixed asset whose economic useful life has expired must be removed or removed from the list of fixed assets. To remove or delete a company's fixed assets, it can be directly exchanged or released with other fixed assets. At PT Buana Finance Tbk, fixed assets where the useful life has expired are still recognized as an asset for the company and will continue to be used by the company if the condition is still good. until the asset is actually damaged and then it will be removed or deleted from the company's asset list.

g) Presentation of Fixed Assets

When presenting fixed assets in the company in the financial statements, PT Buana Finance Tbk has presented several types of fixed assets such as land, vehicles, buildings, equipment and office equipment by reducing accumulated depreciation. The company PT

Buana Finance has also presented all assets separately. The following is an image of the statement of financial position of PT Buana Finance Tbk for 2021-2022.

Notes to Financial Statements as of Dec 31, 2021 and for the year then ended (presented in Millions of Rupiah, unless otherwise stated)

**Table 2. Note to the Financial Statements 2021 of PT Buana Finance Tbk**

	Beginning balance	addition	reduction	Ending balance
<i>Acquisition price</i>	-	-	-	-
<i>Land</i>	7.605	-	-	7.605
<i>Building</i>	67.797	-	-	67.797
<i>Vehicles</i>	10.341	1.129	(742)	10.728
<i>Equipment and</i>	-	-	-	-
<i>Equipment</i>	81.689	2.151	(1.871)	81.969
<i>Total</i>	167.432	3.280	(2.613)	168.099
<i>Accumulated Depreciation</i>				
<i>Building</i>	(14.135)	-	-	(16.653)
<i>Vehicle</i>	(7.113)	(1.438)	670	(7.881)
<i>Equipment and</i>	-	-	-	-
<i>Office supplies Total</i>	(57.825)	(10.005)	(1.808)	(66.022)
<i>Net-book value</i>	(79.073)	(13.961)	2.478	(90.556)
	88.359	-	-	77.543

Source: PT Buana Finance Tbk in the Fixed Asset Report Year (2021)

Notes to the Financial Statements as of Dec 31, 2022 and for the year then ended (presented in Millions of Rupiah, unless otherwise stated)

**Table 3. Note to the Financial Statements 2022 of PT Buana Finance Tbk**

	Beginning balance	addition	reduction	Ending balance
<i>Acquisition price</i>	-	-	-	-
<i>Land</i>	7.605	-	-	7.605
<i>Building</i>	67.797	-	-	67.797
<i>Vehicles</i>	10.728	912	(378)	11.262
<i>Equipment and</i>	-	-	-	-
<i>Equipment</i>	81.969	4.345	(1.844)	84.470
<i>Total</i>	168.099	5.257	(2.222)	171.134
<i>Accumulated Depreciation</i>				
<i>Building</i>	(16.653)	(2.518)	-	(19.171)
<i>Vehicle</i>	(7.881)	(1.024)	378	(8.627)
<i>Equipment and</i>	-	-	-	-
<i>Office supplies Total</i>	(66.022)	(7.968)	1.761	(72.229)
<i>Net-book value</i>	(90.556)	(11.510)	2.139	(99.927)
	77.543	-	-	71.207

Source: PT Buana Finance Tbk in the Fixed Asset Report Year (2022)

The details of the gain from the sale of fixed assets in 2021-2022 are:

**Table 4. Gain sale fixed assets**

	2022	2021
Proceeds from sale of fixed assets	315	380
Book value	-	-
Sales	(29)	(84)
Deletion	(54)	(46)
Gain on sale of fixed assets	-	-
(note25)	232	250

Source: PT Buana Finance Tbk in the Fixed Asset Report Year (2023)

## **DISCUSSION**

### **Recognition of Fixed Assets includes Definition, Characteristics, Acquisition Price of Fixed Assets, Recognition of Fixed Assets**

Based on the results of research on the recognition of fixed assets based on PSAK No.16, an asset is recognized as a fixed asset if it is owned for use in production, for sale, or for administrative purposes, and is expected to be used for more than one year, at PT Buana Finance Tbk, an asset is recognized as a fixed asset if the acquisition price of the fixed asset is more than 12 months. This is in accordance with PSAK No.16. At a later stage according to PSAK No.16 the company does not recognize the daily maintenance costs of a fixed asset as part of the fixed asset.

Instead, these costs are recognized as repairs and maintenance of fixed assets in profit or loss when incurred. PT Buana Finance Tbk has recognized the value of maintenance and repair of fixed assets. This is in accordance with PSAK No.16 because these costs are incurred periodically to keep an asset operating including the cost of maintenance and repair of a fixed asset.

### **Expenditure After Acquisition Covers Initial Acquisition Cost, Initial Recognition, Measurement of Acquisition Cost, Exchange of Assets, Fair Value, Revaluation Model**

According to PSAK No.16, companies do not recognize the cost of day-to-day maintenance of a fixed asset as part of the fixed asset. Instead, these costs are recognized as repairs and maintenance of fixed assets in profit or loss when incurred. PT Buana Finance Tbk has recognized the value of maintenance and repair of fixed assets. This is in accordance with PSAK No.16 because these costs are incurred periodically to keep an asset operational including the cost of maintenance and repair of a fixed asset.

### **Depreciation and Depreciation Methods Covering Asset Depreciation and Asset Disclosure**

Depreciation begins when a fixed asset has been acquired and is in a state ready for use. Fixed assets must be depreciated each period using a depreciation method such as the straight-line depreciation method, the double declining balance method, and the number of units method.

At PT Buana Finance Tbk, the depreciation method used is the straight line method (Staright Line Method), For land is excluded because it is not depreciated. In the company PT Buana Finance Tbk, each type of fixed assets depreciated using the straight-line method except land because it is not depreciated.

### **Retirement of Fixed Assets**

At PT Buana Finance Tbk, when fixed assets where the period or useful life has expired are still recognized as company assets and will continue to be used if the condition is still good until the asset is completely damaged or sold (released) then it will be written off from the company's asset list.

Retirement of fixed assets according to Statement of Financial Accounting Standards No.16 an asset is retired when the recognition of the asset is released or the expected economic benefits of the asset are lost. of the use of the asset has been exhausted. This is in accordance with Statement of Financial Accounting Standards No.16 which relates to the derecognition of fixed assets.

### **Presentation of Fixed Assets**

Fixed assets in the financial statements are grouped and presented according to the type of asset. There is some information disclosed in the financial statements for each type of fixed assets. Based on PSAK No.16, the disclosure of fixed assets in the financial statements includes the basis of measurement used in determining the gross carrying amount and

accumulated depreciation, as well as a reconciliation of the carrying amounts at the beginning and end of the period.

Each type of fixed assets in the balance sheet must also be presented separately such as land, buildings, vehicles, and equipment and office supplies by reducing the accumulated depreciation. In comparison when the presentation of fixed assets according to the Statement of Financial Accounting Standards No.16 fixed assets in the statement of financial position is presented at cost less accumulated depreciation. In the company the presentation of fixed assets at cost less accumulated depreciation where this is in accordance with PSAK No.16.

Meanwhile, According To Statement Of Financial Accounting Standards No. 16, Each Type Of Fixed Asset In The Statement Of Financial Position Is Presented Separately. In The Company In Their Statement Of Financial Position Fixed Assets Are Presented Separately Such As Land, Buildings, Vehicles, And Equipment And Office Supplies. This Is In Accordance With Statement Of Financial Accounting Standards No. 16.

## Conclusion

The application of accounting treatment related to fixed assets applied by PT Buana Finance Tbk where the accounting treatment of fixed assets of the company has been in accordance with the Statement of Financial Accounting Standards (PSAK) No.16 where the treatment starts from:

1. When the initial recognition of a fixed asset at PT Buana Finance Tbk, it has recognized the fixed asset at cost. Where an asset can be recognized as a fixed asset that is used in the provision of services or administrative purposes of the company for more than twelve months, this is of course in accordance with PSAK No.16 regulations.
2. When the costs after the acquisition of fixed assets PT Buana Finance Tbk, record the expenses to the fixed asset repair and maintenance cost account, this is in accordance with PSAK No.16.
3. The company (PT Buana Finance Tbk) when depreciating the method used is the straight-line method for each type of fixed asset, land is excluded because it is not depreciated. this is in accordance with PSAK No.16 regulations.
4. The company (PT Buana Finance Tbk) stops its recognition of fixed assets, if the asset is no longer used or when it is sold and removed from the fixed asset group, thus the company is in accordance with PSAK No.16 regulations.
5. At the time of disclosure, the company (PT Buana Finance Tbk) has presented assets of fixed separately in the financial statements. This is certainly in accordance with the Regulations of Statement of Financial Accounting Standards No.16.

## Limitation

From The Results Of The Discussion And Description Above, The Authors Provide Suggestions To Pt Buana Finance Tbk Which In The Accounting Treatment Of Fixed Assets That Are In Accordance With The Statement Of Financial Accounting Standards No.16, Are Maintained So That The Accounting Period Produces Financial Reports That Are More Accurate In Reflecting The Financial Position And Operating Results Of The Company That Can Be Accepted By The Public.

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